

DOUGHERTY MORTGAGE LLC

PRODUCT OVERVIEW

Eligibility:

- Must be an existing HUD Insured Mortgage
- Moderate rehabilitation is allowed, up to 15% of Value
- Market Rate, LIHTC, Bond

Loan Structure:

Loan Amount determined by lesser of:

- 90% of Value, after completion of repairs/improvements
- Original Principal Balance of existing HUD mortgage
- Unpaid Principal Balance of existing HUD mortgage plus cost of required improvements and closing costs
- 90% of Net Operating Income (85% for 223(f) projects)

Loan Term:

- Up to 12 years beyond remaining term of existing HUD mortgage
- Not to exceed 75% of remaining economic life

Debt Service Coverage Ratio:

- Requirements of existing HUD program apply

* Interest Rate:

- Fixed Rate locked at Commitment based on Market Conditions

Prepayment:

- Lockout Terms may vary (typically 2 year lock with 8% declining)

Guaranty:

- Non-recourse

Mortgage Insurance:

- First Year's Premium, paid at closing
- 0.45% for Multifamily, 0.5% for Seniors Housing
- 0.45% or 0.5% annually, thereafter



FHA / HUD Section 223(a)(7) Refinance of Existing HUD Insured Loan

Mortgages financed under Section 223(a)(7) of the National Housing Act are insured by the Federal Housing Administration (FHA) to facilitate the refinance of existing multifamily and seniors housing. Section 223(a)(7) is utilized to improve the property's financial and / or physical condition. FHA insurance combined with a Ginnie Mae security provides a "AAA" credit enhancement for bonds.

Requirements and Fees:

- **HUD Fee:** 0.3% FHA Exam Fee (payable from mortgage proceeds at loan closing)
- **Inspection Fee:** Greater of 1% of Repairs or \$30 per unit (payable out of mortgage proceeds)

Processing Fee:

- Varies by Transaction – Limited Third Party Reports and Due Diligence Required
- Borrower is responsible for Legal Fees and standard Closing Costs - may be included when determining mortgage amount

Financing and Commitment Fees:

- Competitive and Negotiable

* Call for current Rates and Terms

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